

Obducat acquires the German company Solar-semi and decides on directed issues of shares and convertible bonds

Obducat AB (publ) has entered an agreement concerning the acquisition of the German company Solar-semi GmbH. The company is a leading supplier to the micro and nano electronic industry. With the acquisition, Obducat will more than double its installation base, triple its revenues and – not the least – strengthen its leading position globally within nano imprint lithography. The acquisition price amounts to approximately 7.6 million SEK and is paid partly in cash and partly through the issuance of convertible bonds. The acquisition is partly financed through a directed share issue of B class shares. A resolution has also been made concerning a smaller offset issue of new B class shares.

Background and reasons

- *"The acquisition of Solar-semi is in line with the strategy that was decided on by the board already in November 2013. The strategy implies that we shall add closely linked key competencies and products to our current core competence within nano imprint lithography",* says Henri Bergstrand, Executive Chairman of Obducat AB.

Solar-semi holds a very strong position within the growing applications areas OLED and LCD displays and is currently supplier to a number of global customers such as Nasa, Infineon, Sumitomo, Omnisun and STMicroelectronics. Solar-semi's coating technology is at the forefront of the technology.

- *"The acquisition of Solar-semi will enable us to offer a world unique combination of our nano imprint technology and the Solar-semi coating technology. Our technologies complement and mutually strengthen each other and, when combined, our offer to the customers is significantly enhanced. Together we will make our global leading position stronger",* says Patrik Lundström, MD Obducat AB.

Solar-semi has a revenue of about 55 million SEK and 30 employees. After the acquisition has been completed Obducat will already during 2015 reach a revenue of about 80 million SEK and have 53 employees. Solar-semi was founded in 2009 but have a history that dates back to 1994 when it was spun out of another German company. Solar-semi focuses on coating technologies, particularly for the growing areas OLED and LCD displays as well as MEMS (Micro Electro Mechanical Systems).

- *"There is a perfect fit between our technology and Obducat's. Additionally we will be able to coordinate our marketing, sales and support activities. Together we will have a very competitive offer that meets our customers' requirements from a technical as well as a cost efficiency point of view",* says Pirmin Muffler, MD Solar-semi.

Based on Obducat's world leading position within nano technology with specific focus on NIL, Obducat has made the decision to add to our current core competence closely linked key competencies and products within the area of coating technology.

Based on the technological developments the nano revolution will increasingly enable the integration of functions into surface layers. These functions can be created by having certain characteristics of the material composition in the surface layer, by structuring the surface giving it certain functions or by using a combination of specific material composition in the surface layer which is physically structured by using e.g. NIL.

The key competencies needed to enable this can be divided into three main categories;

- *Surface structuring (NIL) (Obducat Technologies' main focus)*
- *Coating technology (Spin coating, Spray coating, Wet processing, Inkjet) (Solar-semi's main focus)*
- *Material development and fabrication*

The progress within nano technology enables the development and fabrication of new materials with designed functions for a variety of application areas such as;

- *Medical/biological (antibacterial surfaces, drug delivery, smart sensors used to monitor health conditions)*
- *Optical components (anti fog function for glasses, anti-reflex used in e.g. camera lenses etc)*
- *Displays/Solar cells (decrease loss of light in LCD/OLED displays, improve efficiency of solar cells)*

Prior to the acquisition of Solar-semi, Obducat did only focus on the applications which involved surface structuring. Through the acquisition of Solar-semi the scope of the company's activities is broadened to the extent that focus can in the future be applied to applications that concerns solutions based on coating technology as well.

The acquisition is expected to be completed by the end of November 2015.

Financing of the acquisition etc.

The agreed purchase price for Solar-semi amounts to 811,000 EUR, equivalent to approx. 7.6 million SEK, and is paid partly in cash and partly by the issuance of convertible bonds.

Convertible bond loan

Today, the board has resolved, based on the general meeting's authorization, to raise a convertible loan in the amount of approx. 3.5 million SEK by issuing convertible bonds. The convertible bond loan can be converted into B class shares in Obducat. Wild Holding GmbH and MP Technology GmbH, owners of all shares in Solar-semi, have the sole right to subscribe for the convertible bonds by payment through transfer of the shares in Solar-semi. The convertible bonds are issued at a rate of 100 percent of the nominal value of the convertible bond loan.

The convertible bond loan carries an annual interest of five percent and falls due on December 8, 2017, if not converted prior to that date. The conversion price amounts to 10.07 SEK for the period up to and including November 25, 2016 and 10.57 SEK for the period up to and including November 24, 2017. The initial conversion price corresponds to the subscription price in the share issues set forth below. The terms and conditions for the convertible bond loan include customary provisions on recalculation of the conversion price in connection with rights issues etc.

The convertible bond loan issue is conditional upon completion of the acquisition of Solar-semi.

Directed share issue

The board has further resolved, based on the general meeting's authorization and with deviation from the shareholders' pre-emptive rights, to issue 2,500,000 new B class shares. The subscription price amounts to 10.07 SEK per share, which means that Obducat is provided with issue proceeds of approx. 25.2 million SEK, prior to issue costs. The issue proceeds shall be used in part to pay the cash purchase price for Solar-semi, and in part for general working capital purposes.



The new shares are issued to the international fund GFG Fund Sicav Global Medium Risk. The subscription price for the new shares has been established based on the volume weighted average closing price for Obducat's B class shares on NGM Equity during the thirty trading days preceding the issue resolution and a discount of 7.5 percent. The subscription price is considered to be on market terms.

The reason for the deviation from the shareholders' pre-emptive rights is primarily that it is considered beneficial for Obducat and its shareholders to broaden the shareholder base and to take advantage of the possibility to raise capital to the company swiftly and on favorable terms. Obducat's board is of the opinion that the issue, which is necessary in order to complete the acquisition of Solar-semi, will create further value for all shareholders of Obducat.

A prospectus relating to the admission of trading of the new B class shares will be made public within short.

Offset issue

The board has finally resolved, based on the general meeting's authorization and with deviation from the shareholders' pre-emptive rights, to issue 125,000 new B class shares to Avalon Capital AG.

Obducat has retained Avalon Capital as financial adviser in connection with raising capital for the financing of the Solar-semi acquisition. The new shares shall be paid by way of sett-off of half of Avalon Capital's fee claim on Obducat based on the financial services furnished. The subscription price corresponds to the subscription price in the directed share issue described above.

The reason for the deviation from the shareholders' pre-emptive rights in this part is primarily that it is considered beneficial for Obducat and its shareholders given the company's liquidity situation to pay part of the fee to Avalon Capital by issuing new B class shares.

Dilution etc.

By the issue of 2,625,000 new B class shares as set forth above, Obducat's share capital will be increased with 2,625,000 SEK, from 22,443,565 SEK to 25,068,565 SEK. The number of shares in the company will thereafter amount to 25,068,565, whereof 773,466 A class shares and 24,295,099 B class shares.

If the convertible loan is converted as set out above at the initial conversion price of 10.07 SEK per share, an additional 347,092 new B class shares will be issued, corresponding to approx. 1.4 percent of the total number of shares in Obducat.

This is information that Obducat AB (publ.) is required to disclose pursuant to the Swedish Securities Market Act. The information was submitted for publication on November 17, 2015 at 17.50 CET.

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About Obducat AB (publ)

Obducat AB is an innovative developer and supplier of technologies, products and processes used for the production and replication of advanced micro and nano structures. Obducat's products and services serve the demands of companies within the information storage, semiconductor, printed circuit board, and sensor industries. Obducat's technologies include electron beam and nano imprint technology. Obducat has offices in Sweden and China and the headquarter is located in Lund, Sweden. The Obducat shares are publicly traded on the Swedish NGM Equity stock exchange. Read more at www.obducat.com

About Solar-semi GmbH

Solar-semi GmbH, with headquarters in Radolfzell, Germany, develops, produces and sells on a global basis equipment used in production and development within the semiconductor related industries such as LCD, OLED and MEMS. The company's product portfolio encompass smaller semi-automated equipment used in process development as well as fully automated equipment for mass production purposes. Read more at www.solar-semi.com

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